

# **HEALTH SERVICES AND DEVELOPMENT AGENCY**

## **MINUTES**

**NOVEMBER 14, 2007**

### **AGENCY MEMBERS PRESENT**

Koella, Carl, III, Chair  
Atchley, Bryan, Vice Chair  
Caldwell, Gene, M.D.  
Gaither, Keith, designee for the TennCare Director  
Handorf, Charles, M.D.  
Jones, Clark  
Lammert, Gregory  
Troy, Peggy  
Weaver, Faye, designee for the Comptroller of the Treasury

### **AGENCY MEMBERS ABSENT**

Morris, John, designee for the Commissioner of Commerce and Insurance

### **AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Bobbitt, Melissa, Administrative Services Assistant III  
Brogden, Reid, General Counsel  
Christoffersen, Jim, Deputy General Counsel  
Craighead, Alecia, Statistical Analyst III  
Farber, Mark, Assistant Executive Director  
Finchum, Rhonda, Office Manager  
Wells, Phil, Health Planner III

### **GUESTS PRESENT**

Anderson, Michelle, H3GM  
Austin, Greg, Professional Case Management  
Bailey, Kelly, Lakeshore Estates  
Bonstetter, Laura, Williamson Medical Center  
Bradford, John, Waller, Lansden, Dortch & Davis  
Brent, Michael D., Esq., Boulton, Cummings, Connors & Berry  
Brooks, George, Sr.  
Brown, Dere, NHC  
Calhoun, Shelly, H3GM  
Collier, Wesley, Smyrna Medical Group  
Corritore, Danell, Department of Health  
Cross, Alix, Esq., H3GM  
Culp, Joe, Department of Health  
Day, Ed, Consultant  
Dennison, John, Lakeshore Estates  
Elmlinger, Ronald, Professional Case Management

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Elrod, Dan H., Esq., Miller & Martin  
Garvin, Richard P., Jr., Smyrna Medical Group  
Garvin, Richard P., Sr., M.D., Smyrna Medical Group  
Gilmore, Brenda, State Representative  
Gooch, Warren, Esq., Kramer Rayson  
Gordon, Huntley, CFSHH  
Grace, Frank, Jr., Esq., Waller, Lansden, Dortch & Davis  
Grubb, Joe, Brightstar  
Harvey, Ed, Farris, Mathews, Branam, Bobango, Hellen & Dunlap  
Henley, Deborah, THCA  
Hill, Ronald, Vanderbilt University Medical Center  
Houchin, Barbara, St. Thomas Health System  
Julius, Michael, LBMC  
Kloess, Larry, TriStar  
Lane, Adric, Pastor, Greater Revelations Missionary Baptist Church  
Lane, Charles, Methodist Healthcare-University Hospital  
Lerew, Timothy, Professional Case Management  
Long, Michelle, Tennessee Hospital Alliance  
Looney, Kim Harvey, Esq., Waller, Lansden, Dortch & Davis  
Martin, Pearlie, Smyrna Medical Group  
Matheny, Judd, State Representative  
Miller, Dennis, Williamson Medical Center  
Moore, Elliott, Mountain States Health Alliance  
Penny, Linda, Comptroller's Office  
Poling, Becki, Director of Mental Services, Department of Mental Health and Developmental Disabilities  
Potter, Jeff, LBMC  
Price, Gail R., Smyrna Medical Group  
Price, Kenneth, Smyrna Medical Group  
Pursley, Roger P., Western Mental Health Institute  
Randolph, Tolbert, Pastor  
Scarvey, Tim, HCA  
Sciortino, David, The Meadows  
Sibert, Richard, Reverend, Missionary Baptist State Convention of Tennessee  
Stephenson, Kate, Esq., Trauger & Tuke  
Sullivan, J., Bass, Berry & Sims  
Taylor, Jerry W., Esq., Farris, Mathews, Branam, Bobango, Hellen & Dunlap  
Thomas, James, Jefferson Street Baptist Church  
Trauger, Byron R., Esq., Trauger & Tuke  
Tucker, Kate, Esq., Kramer Rayson  
Wade, Goldy L., Pastor, Walnut Grove Church  
Ward, Giles, LBMC  
Ward, Getahn, The Tennessean  
Young, Charles, Esq., Kramer Rayson

**Chairman Koella, called the meeting to order at 8:30 a.m. in the Meeting Room 12 of Legislative Plaza, Nashville, Tennessee.**

#### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements.

#### **Corrected page** **OTHER BUSINESS**

- 1) State Health Plan – Jim Shulman, Executive Assistant to the Commissioner, Finance & Administration discussed the status of development of a state health plan.
- 2) Spring Hill Hospital, Inc., CN0604-028A – Request by Spring Hill Hospital, Inc. for the Agency to review the Administrative Law Judge's Initial Order denying a certificate of need for the establishment of a 56 bed hospital, acquisition of equipment, and initiation of related services in Spring Hill, which the Agency had previously granted.

Administrative Judge Tom Stovall, Director of the Administrative Procedures, Division of the Secretary of the State's Office, spoke about the petition for review, responses by the other parties, and consideration of Initial Orders by state agencies.

Jim Christoffersen, Esq., representing the State of Tennessee, spoke in support of the Agency's review of the project.

Reid Brogden, Esq., the State of Tennessee, was present.

Jerry W. Taylor, Esq., representing Spring Hill Hospital, Inc. addressed the members with the request for review.

Speaking in support in the Administrative ruling were: Dan H. Elrod, Esq., representing Maury Regional Hospital; and Warren L. Gooch, Esq., representing Williamson Medical Center.

Dr. Handorf moved for review of the Administrative Law Judge's decision. Dr. Caldwell seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Troy, Lammert, Caldwell, Atchley, Handorf, Weaver, Gaither, Jones, Koella  
NAY: None

Chairman Koella then set the Agency's review of the Initial Order for its meeting on February 27, 2008, and instructed that no filings may be submitted to the Agency after February 11, 2008.

## **CONSENT CALENDAR**

*Melanie Hill summarized the following Consent Calendar Application:*

### **Western Mental Health Institute - (Bolivar, Hardeman County) - Project No. CN0709-072**

The construction of a new replacement building and the reduction of twenty-nine (29) licensed beds from 304 to 275. Two (2) of four (4) patient care buildings currently in operation will be replaced by this project and taken out of service upon completion of the new building. Western Mental Health Institute (WMHI) is licensed by the Department of Mental Health and Developmental Disabilities as a 304 bed mental health hospital, with 254 adult beds and 50 child/adolescent beds and currently operates 247 beds (220 adult beds and 27 child/adolescent beds), which serve all of West Tennessee, including Shelby County. The construction of the new building will reduce the licensed bed capacity to 275 (243 adult beds and 32 child/adolescent beds) while maintaining 245 operational beds (222 adult beds and 25 child/adolescent beds). The new facility will be built on the current campus. Project Cost \$58,500,000.00.

Roger P. Pursley addressed the Agency. Becki Poling, Department of Mental Health and Developmental Disabilities, spoke on behalf of the project.

Ms. Troy moved for approval of the project based on: 1) Need – There is a need; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Atchley seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Troy, Lammert, Caldwell, Atchley, Handorf, Weaver, Gaither, Jones, Koella  
NAY: None

### **CERTIFICATE OF NEED APPLICATIONS**

*Mark Farber summarized the following CON applications:*

#### **HCC Home Health, Inc. - (Hartsville, Trousdale County) - Project No. CN0705-037**

The establishment of a home care organization to provide a full range of home health services to patients residing in Trousdale County, TN only. The administrative office of the new home health agency will be located within Hartsville Convalescent Center, 649 McMurry Blvd., Hartsville (Trousdale County), TN 37074. Project Cost \$96,271.00.

**WITHDRAWN**

#### **Maxim Healthcare Services, Inc. - (Johnson City, Washington County) - Project No. CN0704-028**

The establishment of a home care organization and the initiation of home health services limited to private duty services for pediatric, adult and geriatric populations in the counties of Washington, Sullivan and Carter. The parent office will be located at 105 KLM Drive, Suite 6, Johnson City, TN 37615. Project Cost \$29,804.00.

**WITHDRAWN**

#### **Smyrna Medical Group - (Smyrna, Rutherford County) - Project No. CN0707-055**

The establishment of an outpatient diagnostic center. Project Cost \$1,475,650.00.

Richard P. Garvin, M.D., Ph.D., addressed the Agency. State Representative Brenda Gilmore's support letter was read into the record. Speaking in support of the project were: Wesley Collier; Reverend Richard Sibert, Missionary Baptist State Convention of Tennessee; Kenneth Price; George Brooks, Sr.; Pearlle Martin; and Pastor Tolbert Randolph. Present in support were: Gail R. Price; Richard P. Garvin, Jr.; James Thomas, Jefferson Street Baptist Church; Goldy L. Wade, Pastor, Walnut Grove Church; and Adtric Lane, Pastor, Greater Revelations Missionary Baptist Church.

Mr. Jones moved for approval of the project based on: 1) Need – The need has been demonstrated; 2) Economic Feasibility – The project is fiscally responsible based on the information provided; and 3) The project does contribute to the orderly development of adequate and effective health care for all Tennesseans. Ms. Weaver seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Troy, Lammert, Caldwell, Atchley, Handorf, Weaver, Gaither, Jones, Koella  
NAY: None

#### **Lakeshore Estates, Inc. d/b/a The Meadows - (Nashville, Davidson County) - Project No. CN0708-062**

The replacement and relocation of Lakeshore Wedgewood, a sixty-one (61) bed nursing home, from 832 Wedgewood Avenue, Nashville (Davidson County), TN 37207 to 8044 Coley Davis Road, Nashville (Davidson County), TN 37221. As a result of the relocation of the sixty-one (61) beds currently located at Lakeshore Wedgewood to The Meadows, the number of licensed beds at The Meadows will increase from 113 to 174. Lakeshore Wedgewood will surrender its license for the sixty-one (61) bed nursing home upon the licensure of the additional beds at The Meadows. The total number of nursing home beds located in Davidson County will

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not change as a result of this project. This project will require approximately 31,000 square feet of new construction. Project Cost \$5,912,359.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. David Sciortino, Lakeshore Estates and Kelly Bailey, Lakeshore Estates, spoke on behalf of the project. Present in support was Edwin W. Day, Consultant.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is established by virtue of replacing an outdated facility; 2) Economic Feasibility – The project is economically feasible through tax exempt bonds; and 3) The project does contribute to the orderly development of adequate and effective health care as licenses are in place. Mr. Atchley seconded the motion. The motion CARRIED [9-0-0].

**APPROVED**

AYE: Troy, Lammert, Caldwell, Atchley, Handorf, Weaver, Gaither, Jones, Koella

NAY: None

*Mr. Jones and Mr. Koella left meeting.*

*Taken out of order due to lack of quorum for the Methodist Healthcare – University Hospital CN0708-064*

**Professional Case Management of Tennessee - (Oak Ridge, Anderson County) - Project No. CN0708-065**

The establishment of a home health agency and the initiation of home health services to serve patients in the counties of Anderson, Campbell, Knox, Loudon, Morgan, Roane, Scott and Union exclusively to beneficiaries under the Energy Employees Occupational Illness Compensation Program Act (“EEOICP”) and the Radiation Exposure Compensation Act (“RECA”). The parent office will be located at 901 Oak Ridge Turnpike, Oak Ridge (Anderson County), TN 37830. Project Cost \$85,000.00.

Kim H. Looney, Esq., representing the applicant, addressed the Agency. Greg Austin, President, spoke on behalf of the project. Present was Ronald Elmlinger and Timothy Lerew.

Dr. Caldwell moved for approval of the project based on: 1) Need – The need has been defined by the Federal Government; 2) Economic Feasibility – The project is economically feasible as the Federal Government is paying; and 3) The project does contribute to the orderly development of adequate and effective health care by providing services to these patients that are eligible and under going care will definitely improve healthcare. **CONDITION: Limited to the Energy Employees Occupational Illness Compensation Program Act (“EEOICP”) and the Radiation Exposure Compensation Act (“RECA”).** Dr. Handorf seconded the motion. The motion CARRIED [7-0-0]. **APPROVED.**

AYE: Troy, Lammert, Caldwell, Atchley, Handorf, Weaver, Gaither

NAY: None

**Methodist Healthcare-University Hospital - (Memphis, Shelby County) - Project No. CN0708-064**

The relocation of thirty-four (34) licensed adult psychiatric beds from 135 Pauline Street, Memphis (Shelby County), TN 38104 to 1265 Union Avenue, Memphis (Shelby County), TN 38104 on the Methodist Healthcare-University Hospital campus. There will be renovation of 14,616 square feet of space to accommodate the relocated psychiatric beds and services. The project will not affect any other licensed bed complements. Project Cost \$1,025,252.00.

**DEFERRED TO THE DECEMBER MEETING DUE TO LACK OF QUORUM.**

**CURRENT REPORTS**

### **Statistical Reports**

The reports were accepted into the record.

### **Finance, Ways and Means Committee Reports**

The reports were accepted into the record.

### **Minutes**

The minutes of the October 24, 2007, meeting was accepted by unanimous voice vote.

### **ADJOURNMENT**

There being no further business, the meeting adjourned.

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Melanie M. Hill, Executive Director

MMH/mab